

Minnesota Veterans Home in Fillmore County

Presented by

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On day of

February 13, 2017



Proposed legislation

HF 79 and SB 69 Highlights

▶ Name

- ▶ Veterans Home; Fillmore County
- ▶ “Minnesota Veterans and Quality of Life Act”

▶ State appropriation

- ▶ \$10 million from Bond Proceeds Fund
- ▶ State shall provide the necessary operating costs for the veterans home in excess of any revenue and federal funding for the home that may be required to continue the operation of the home and care for Minnesota veterans

▶ Authorizations

- ▶ Commissioner of Veterans Affairs **may apply for federal funding** and establish a veterans home in Fillmore County with **up to 140 beds** for eligible veterans and their spouses
- ▶ **Non-state contributions:** Commissioner of Administration may accept contributions of **land** or money from private individuals, businesses, local governments, veterans service organizations, and other non-state sources for the purpose of providing matching funding when soliciting federal funding for the development of the home.

Proposed legislation

HF 79 and SB 69 specific language

- ▶ **VETERANS HOME; FILLMORE COUNTY Short title.**
This section may be cited as the “Minnesota Veterans and Quality of Life Act.”
- ▶ **Appropriation:** \$10,000,000 is appropriated from the bond proceeds fund to the commissioner of administration to design, construct, furnish, and equip a veterans home in Fillmore County to provide a continuum of care, including skilled nursing care, to Minnesota veterans.
- ▶ **Veterans home established:** The commissioner of veterans affairs may apply for federal funding and establish a veterans home in Fillmore County with up to 140 beds available for eligible veterans and their spouses. The state shall provide the necessary operating costs for the veterans home in excess of any revenue and federal funding for the home that may be required to continue the operation of the home and care for Minnesota veterans.
- ▶ **Non-state contribution:** The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other non-state sources for the purpose of providing matching funding when soliciting federal funding for the development of the home.
- ▶ **Bond sale:** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$10,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

State benefits

\$20M investment + \$3.8M yearly operating support

- ▶ **2-to-1 federal investment**
 - ▶ **\$20 million capital project**
(2:1 match, with \$10 million from state bond sales)
 - ▶ **\$3.8 million per year operating funds**
(\$0 required from state general fund; \$103.61 federal per diem)
- ▶ **180 new jobs**
 - ▶ 115 full-time
 - ▶ 65 part-time
- ▶ **Veteran retention and support**
 - ▶ 355,366 veterans in Minnesota (7% of total state population)
 - ▶ Skilled services and specialized memory care to Veterans in 15 southeast Minnesota counties
- ▶ **\$1.5+ million in local contributions**
 - ▶ Land donated by participating community
 - ▶ Needs assessment, economic and site feasibility studies

Construction Costs

Estimate from Horty Elving & Assoc. in Minneapolis

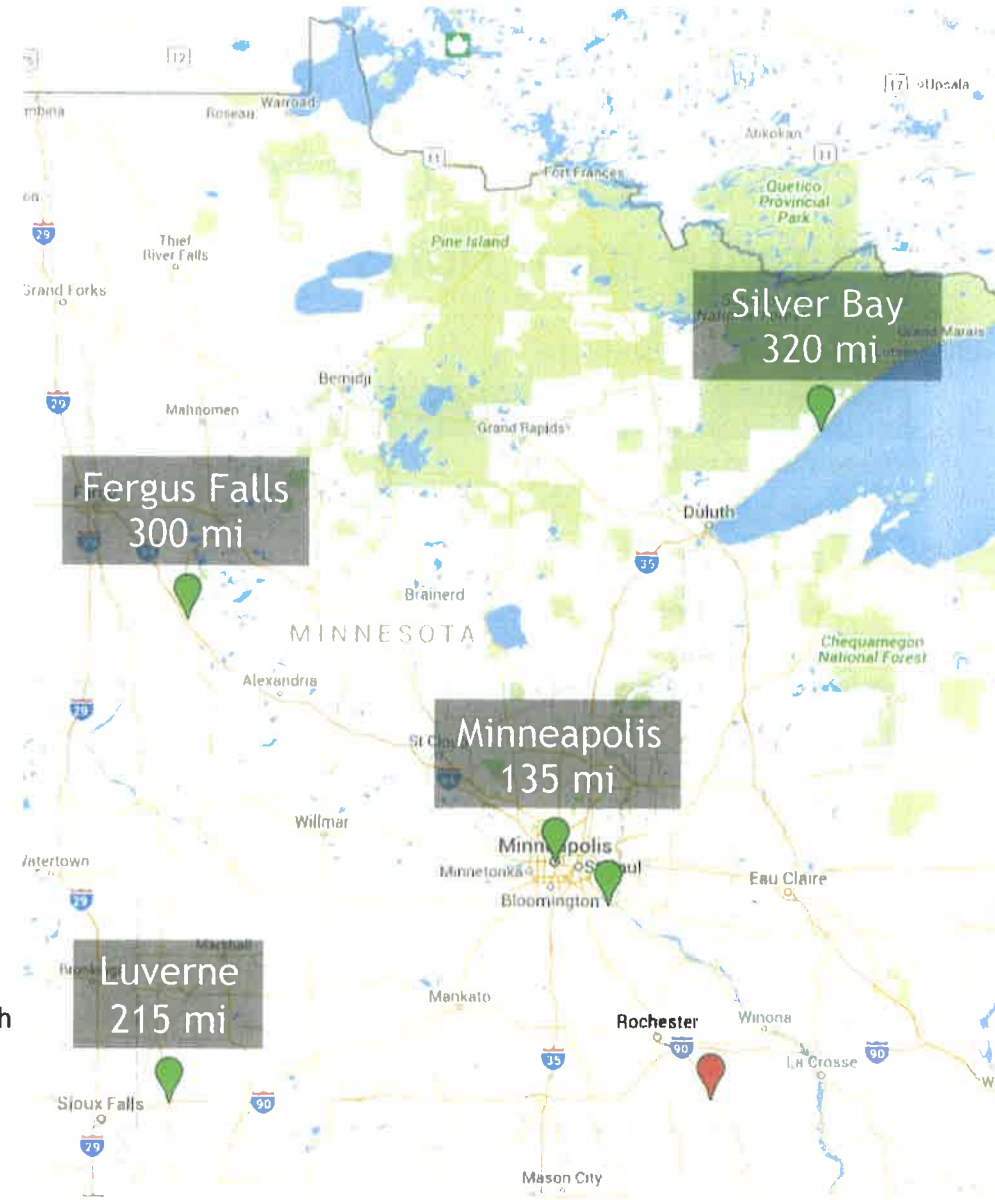
Work component	No. units	Area/units	\$/unit	Extension
100-bed skilled care	100	1000	\$230	\$23,000,000
Domiciliary care				
Drug and alcohol treatment				
Adult daycare services	0	600	\$250	
Memory care cottage	8	0	\$1,200,000	
Subtotal Probable Construction Cost				\$23,000,000
Additional expenses and fees				
Contingency (15%)				\$3,450,000
Probable Construction Cost				\$26,450,000
A/E fee (6%)				\$1,587,000
FEE (7%)				\$1,851,500
Survey				\$5,000
Soil borings				\$10,000
Testing				\$25,000
Total Master Plan Project Cost				\$29,928,500

Demand

Current facilities overview

Facility Location*	No. beds	Occupancy	Number on wait list	Wait time Vets / spouses
Minneapolis	291	100%	550	9 mos / 2-3 yrs
Fergus Falls	106	100%	580	1.5 yrs / nr†
Luverne	85	100%	420	3-6 mos (male) / nr† 1-2 yrs (female) / nr†
Silver Bay	83	100%	348	4-8 mos / 2-3 yrs

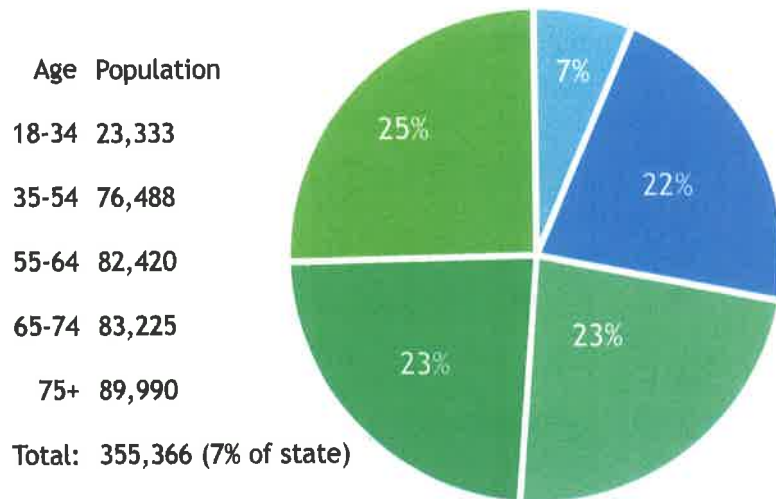
* Hastings facility serves veterans suffering from chemical dependency, mental health illnesses, dual disorders, and/or the debilitating effects of aging. Some special services include sobriety maintenance, vocational rehabilitation services, mental health services, and educational services
 † nr: Not reported



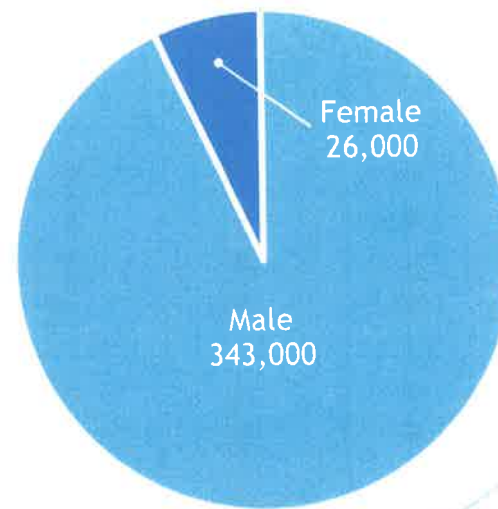
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Minnesota veteran population

MN Veterans by age



MN Veterans by gender



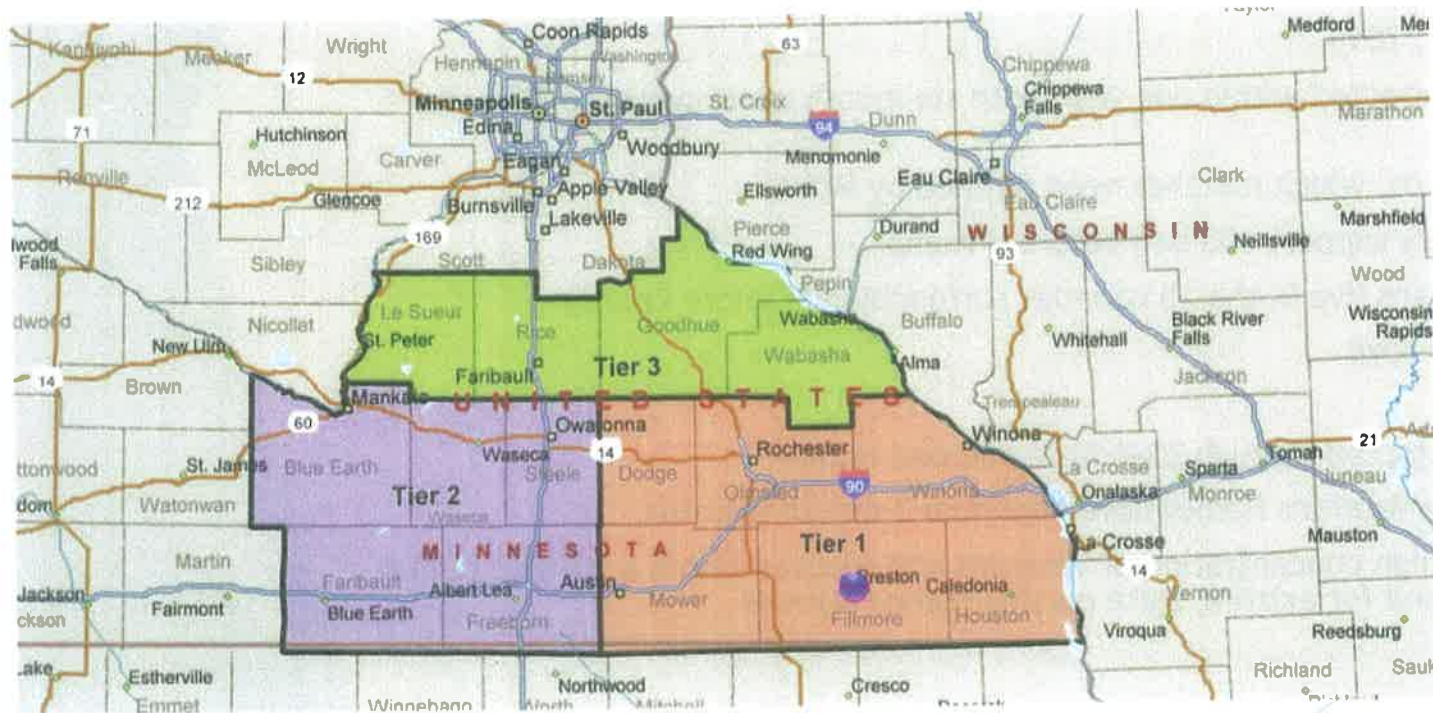
Demand

MDVA beds needed in 15-county area through 2040

	2017	2020	2025	2030	2035	2040
Tier 1	379	332	295	256	217	169
Tier 2	192	182	163	150	134	113
Tier 3	209	202	186	175	157	134
Total	780	716	644	581	508	416
Capture Assumptions						
Tier 1 (30%)	114	100	88	77	65	51
Tier 2 (20%)	38	36	33	30	27	23
Tier 3 (10%)	21	20	19	17	16	13
Total	173	156	140	124	108	87
10% additional spouses	17	16	14	12	10	8
20% add'l beyond area	34	32	28	24	20	16
Total regional demand	224	204	182	160	138	111

Regional overview

Pat McCullough, Health Planning & Mgmt Resources



Regional overview

Needs study highlights

- ▶ Study performed in fall, 2016
- ▶ Maximum occupancy expected within one year, with six-month contingency to allow for staffing and training
- ▶ Need defined at 100 beds, which matches need defined by MDVA
- ▶ Both need and efficiency support 100-bed Veterans Home
- ▶ 33% of Minnesota Veterans live in the 15 counties surrounding Fillmore County
 - ▶ 33% within 90-minute drive
 - ▶ 30% within 70 miles
- ▶ Significant demand projected through 2040 for a 100-bed Home
- ▶ All existing comparable Veterans Homes have minimum 3-month wait list
- ▶ Enhances care for the high concentration of Veterans and spouses within a 90-mile radius without affecting demand for existing state nursing home facilities

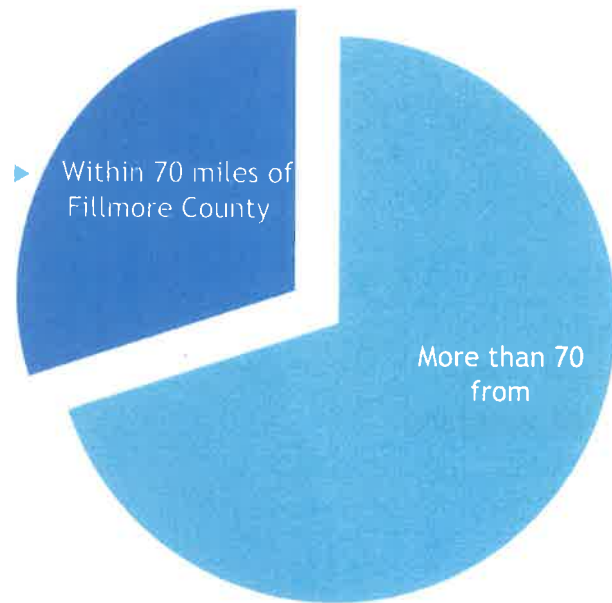
Regional overview

Survey reporting characteristics

- ▶ Catchment area includes 3 tiers at 30%, 20%, and 10 % capture rate
 - ▶ Fill rate currently 224 Veterans
 - ▶ Fill rate in 23 years projected at 111 Veterans
- ▶ Travel distance of 90 minutes or less
- ▶ Number of state beds with occupancy and waiting list defined
- ▶ Community-based beds defined
- ▶ Plans for acute medical care/emergency care
- ▶ Availability of qualified medical personnel
- ▶ Reason for the project, project scope, and efficiency
- ▶ Site within reasonable proximity to sufficient concentration and population of Veterans
- ▶ MDVA projects the need for 100 additional beds
- ▶ Quality, sustainable jobs created

Why Southeast Minnesota Proximity

Minnesota veterans ages 65 and older



- ▶ 33% of Minnesota Veterans live in the 15 counties of Southeast Minnesota
- ▶ Significant demand projected through 2040 for a 100-bed Home
- ▶ Minimum 3-month wait list at existing homes
- ▶ 1,898 veterans currently waiting
- ▶ High concentration of Veterans and spouses

Why Fillmore County

Demand

- ▶ Free land, donated by supporting communities
- ▶ Nearest existing MDVA home is 138 miles away
 - ▶ 550-person waiting list
 - ▶ 9-month wait time for veterans; 2-to-3 year wait for spouses
 - ▶ Median 10-month wait time statewide
- ▶ Fillmore can serve 24,734 Veterans ages 65 and older (based on 2014 Veteran's population census within 70 miles)
 - ▶ 30% of state Veterans 65 years and older within 70 miles
 - ▶ 33% of state Veterans 65 years and older within 90 miles
- ▶ \$1.5+ million offered from Fillmore County and communities

Why Fillmore County

Additional attractions

- ▶ Needs assessment complete; site feasibility study underway
- ▶ 35 minute drive to both VA Clinic and Mayo Clinic in Rochester
- ▶ Mayo Clinic, the state's largest employer, is a "Yellow Ribbon" company
- ▶ 167-acre State Veteran's Cemetery near county seat (also donated by Fillmore County)
- ▶ Full-time service officers available to Veterans (Fillmore and 14 surrounding communities)
- ▶ County service officer can arrange transportation to Minneapolis VA Hospital for appointments
- ▶ Variety of year-round activities for residents, such as world-class trout fishing and turkey hunting, extensive cycling and snowmobile trails, adult education programs, and more
- ▶ Wounded Warrior Project active in Fillmore County
- ▶ Legion and VFW clubs, with active local color guards
- ▶ Local educational facilities participate in CNA training, and offer nursing programs
- ▶ Job training for area residents is plentiful

Economic benefits

Review of state and local benefits

- ▶ **Smart economic investment**
 - ▶ Capture \$20 million in federal funding for \$10 million investment
 - ▶ Net \$1.6 yearly operating gain through estimated \$2.2 million state spend in exchange for \$3.8 million federal operating spend
 - ▶ Drive additional visitor traffic to local tourism and commercial ventures
- ▶ **Demonstrated need**
 - ▶ 100-bed home projected full through 2040 (23 years) and beyond
 - ▶ 1,898 veterans currently on waiting list for access to VA Home
 - ▶ During a 23 year period the State will make a \$2,175 investment per year for each Veteran estimated to use the Veteran's nursing and memory care facility
- ▶ 180 new healthcare and supporting jobs

Next steps

Action items for MDVA, state leaders, and Fillmore County

▶ MDVA

- ▶ Advise House and Senate on need in Fillmore County
- ▶ Support legislation for new Veteran's home in state

▶ LEGISLATURE

- ▶ Include \$10 million bond appropriation for MDVA's required state match

▶ GOVERNOR

- ▶ Authorize MDVA in writing to pursue federal application on behalf of state

▶ Fillmore County

- ▶ Participate in University of Minnesota Economic Impact study, including data on qualified personnel
- ▶ Complete Site Feasibility Study (currently underway)
- ▶ Conduct schematic Drawing of site, per recommendation from Department of Veterans Affairs' Design Guide